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1981/06/06

DEPARTMENT OF STATE

BRIEFING MEMORANDUM

S/S

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TO: THE SECRETARY

FROM: EA - John H. Holdridge

SUBJECT: Your Meeting with Chinese Vice Premier Bo Yibo

I. SUMMARY

    The Chinese have arranged a meeting with <u>Vice Premier
Bo, whom you met in New York in September 1980</u> when Bo
headed the Chinese delegation to the first annual US-China
Joint Economic Committee meeting. The <u>focus</u> of your
meeting with Bo will be on <u>US-China bilateral economic
relations</u>.

II. SETTING

    Your meeting with Bo comes <u>before your meeting with
Premier Zhao</u>. It will be a useful opportunity <u>to
foreshadow the economic matters you plan to raise with
Zhao</u>.

III. ISSUES

    You may wish to indicate to Bo that, <u>in the context
of resuming momentum in our bilateral relationship, we
attach great importance to scheduling the second annual
US-China Joint Economic Committee (JEC) meeting in
Beijing in the Fall</u>. The JEC can continue the fruitful
dialogue begun last September on financial relations and
each government's economic policies. <u>Treasury Secretary
Regan will head the US delegation</u>.

    You may also wish to note that <u>President Reagan
recently decided to propose the creation of a US-China
Trade and Commerce Commission</u>, to be headed on the US
side by Commerce Secretary Baldridge. This forum will
be able to deal <u>more effectively with commericial issues</u>

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previously handled in the JEC, such as trade development, industrial cooperation, business facilitation, economic data exchange and the opening of government trade offices in each other's territory. We hope the Chinese government will agree to this proposal.

It would be useful to set the dates for both committees as early as possible. This will allow both governments to do the preparatory work in a manner that will make the meetings between our economic planners most productive.